



IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH (COURT- I) CHENNAI

ATTENDANCE CUM ORDER SHEET OF THE HEARING
HELD ON **02.05.2025** THROUGH VIDEO CONFERENCING

PRESENT: HON'BLE SHRI. SANJIV JAIN, MEMBER (JUDICIAL)
HON'BLE SHRI. VENKATARAMAN SUBRAMANIAM, MEMBER (TECHNICAL)

APPLICATION NUMBER :
PETITION NUMBER : CP(IB)/265/CHE/2024
NAME OF THE PETITIONER(S) : Arihant Retail Pvt Ltd
NAME OF THE RESPONDENTS :
UNDER SECTION : Sec 10 of IBC, 2016

ORDER

Present: Ld. Counsel Shri. Ramasubramaniam for the Corporate
Applicant / Petitioner.

Vide separate order pronounced in the Open Court, the petition is admitted. CIRP is initiated against the Corporate Applicant / Petitioner. Shri. S. Amarendran is appointed as IRP.

Sd/-

(VENKATARAMAN SUBRAMANIAM)
MEMBER (TECHNICAL)

MG

Date: 02.05.2025

Sd/-

(SANJIV JAIN)
MEMBER (JUDICIAL)



**IN THE NATIONAL COMPANY LAW TRIBUNAL,
DIVISION BENCH – I, CHENNAI**

CP(IB)/265(CHE)/2024

*(filed under Section 10 of the Insolvency and Bankruptcy Code, 2016 R/w Regulation 7 of
IBBI (Application to Adjudicating Authority) Rules, 2016.*

In the matter of M/s. Arihant Retail Private Limited.

Arihant Retail Private Limited

Through its Director Shri. Pradeep Chetry
Address: 17/29, Namashivaya Street,
Washermanpet,
Chennai – 600 021
Tamil Nadu
Email: grouparihant23@gmail.com

... Corporate Applicant

Present:

For Petitioner : C. Ramasubramaniam, PCS
For Financial Creditors : Umasudhan, Advocate for Karur Vysya Bank
Adhivarahan, PCS for Axis Bank
P. Elayarajkumar, Advocate for LICHFL

CORAM:

**SANJIV JAIN, MEMBER (JUDICIAL)
VENKATARAMAN SUBRAMANIAM, MEMBER (TECHNICAL)**

Order Pronounced on 2nd May, 2025.



ORDER

(Heard through Hybrid Mode)

1. Arihant Retail Private Limited, the Corporate Applicant / Corporate Debtor has filed this petition under Section 10 of the Insolvency and Bankruptcy Code, 2016 (IBC) with a prayer to initiate Corporate Insolvency Resolution Process (CIRP) against it.
2. Part-I of the petition provides the details of the Corporate Applicant i.e Arihant Retail Private Limited situated at 17/29, Namashivaya Street, Washermanpet, Chennai – 600 021, Tamil Nadu within the jurisdiction of this Tribunal having CIN No. U18101TN1996PTC035532. It has two directors namely Vishal Surana and Pradeep Chetry. It was incorporated on 21.05.1996 with authorized capital of Rs. 18,00,00,000/- and paid up capital of Rs. 17,53,96,000/-. In Part-III of the petition, the Petitioner has given the list of the Financial Creditors i.e. Axis Bank Limited, Karur Vysya Bank Limited and LIC Housing Finance Ltd. It has also given the list of unsecured financial creditors and operational creditors. The total debt raised and the amount in default is Rs. 1,16,53,97,952.22. The date of defaults respectively are 12.10.2018, 05.11.2018, 03.02.2017 and 21.01.2020. The Petitioner had created charge



for Rs. 8,75,00,000/- on 30.10.2017, Rs. 3,00,00,000/- on 14.07.2017 modified on 30.10.2017 in favour of Axis Bank Limited. It also created charge in favour of Karur Vysya Bank Limited on 01.08.2013 modified on 03.05.2017 and LIC Housing Finance Limited on 28.12.2017 modified on 18.01.2019. It has attached the statement of debts from the Financial Creditors as Annexure-I and the Operational Creditors as Annexure-II along with the financial statements. In Part-II of the petition, it has proposed the name of the Interim Resolution Professional Shri. S. Gopalakrishnan having Registration No. IBBI/IPA-002/IP-N00151/2017-18/10398. It has also filed the provisional balance sheet as on 08.11.2024.

3. As per the averments made in the petition, the Corporate Applicant / Debtor had availed various financial facilities from the Financial Creditors. LICHFL had sanctioned a housing loan of Rs. 45,00,00,000/- on 03.02.2017 and additional loan of Rs. 70,00,00,000/- on 28.12.2017 for construction / purchase of office premises and / or procurement of office equipments. Axis Bank Limited had sanctioned credit facilities of Rs. 11.75 Crores on 12.10.2018. Karur Vysya Bank Limited had sanctioned credit facilities of Rs. 12.50 Crores on 05.11.2018. It is stated that until March 2020, the financial position of the Corporate Debtor was stable



and healthy. It was prompt and regular in discharging its loan obligations with the Financial Creditors. It is stated that Covid 19 pandemic led to a significant and sustained decline in the financial health of the Corporate Debtor which resulted in business disruptions, operational limitations and financial strain. It is stated that due to adverse business environment and various restrictions imposed by the Government during Covid pandemic, the Corporate Debtor could not generate sufficient revenue and consequently failed to repay its loan obligations which led to default. It is stated that due to default in repayment of loan, the Financial Creditors classified the loans as NPAs and sent demand notices under the SARFAESI Act as detailed below.

Date of NPA	Financial Creditor	Amount of Current Default
10/10/2020 15/10/2020	LIC Housing Finance Limited	Rs. 54,96,31,528.41
23/03/2021	The Karur Vysya Bank Limited	Rs. 13,71,35,882.09
18/06/2021	Axis Bank Limited	Rs. 13,61,91,937.49

4. It is stated that Reserve Bank of India, viewing the financial distress caused by the pandemic initially announced moratorium of three months on non-repayments starting from 01.03.2020 which was



subsequently extended to 31.08.2020. It is stated that subsequent to classification of loan accounts as NPA, the Financial Creditors issued possession notices for taking possession of the secured assets which were provided as security for the loans on various dates. It is stated that the Petitioner had proposed One Time Settlement (OTS) to the Financial Creditor Karur Vysya Bank Limited vide its letter dated 29.05.2024 but the proposal was rejected by the Financial Creditor vide reply letter dated 31.05.2024. The Bank also published e-auction notice on 18.06.2024 for selling of asset situated at Tondiarpet which it sold for Rs. 4.11 Crores, lower than the value as per the valuation report.

5. It is stated that a special resolution was passed in the EGM held on 08.11.2024 after obtaining the consent of the members to initiate CIRP against the Corporate Applicant / Debtor by filing a petition under Section 10 of IBC and Shri. Pradeep Chetry was appointed as the authorized person to file the petition. The Petitioner has placed the copy of the special resolution Annexure VII(b) and the extract of the resolution passed by the Board of Directors Annexure VII(a) at page 212 and 209-210 of the petition. The Petitioner has also filed the synopsis giving the dates and events and the reasons for filing this petition.



6. It is stated that the Corporate Debtor is in the business of retail textiles. In 2007, it expanded its retail network and acquired larger stores. In 2017, it availed a loan from LICHFL for purchase of office premises, working capital loans from Karur Vysya Bank in 2018 and bill discounting credit facilities from Cholamandalam Investment and Finance Company Limited in 2020. Due to nation-wide lockdown on account of Covid 19 pandemic, it suffered substantial revenue loss and its loan accounts were classified as NPA. Though it tried to settle with the Bank giving OTS proposal but the Bank rejected the proposal. It is stated that the fixed assets of the Corporate Debtor as per the provisional financial statement as on 08.11.2024 are Rs. 5,941.53 Lakhs. It is stated that there is every possibility of rebuilding the business and revival of the Company.

7. The Petitioner was directed to serve the copy of the petition on the Financial Creditors as well as the Operational Creditors. Despite service only LICHFL, Axis Bank and Karur Vysya Bank appeared through their Counsels. Axis Bank vide proceedings dated 17.02.2025 gave no objection for initiating CIRP against the Corporate Applicant.



Karur Vysya Bank filed its reply stating that the Corporate Applicant / Petitioner had availed loan facility from the Bank and mortgaged the properties towards security for repayment of the loan. Because of default in repayment, the loan account was declared as NPA on 23.03.2021 under the provisions of the SARFAESI Act. The Bank issued the recall notice on 23.04.2021 under the SARFAESI Act and took possession of the mortgaged immovable property. Since the OTS offer was too low and meagre, it rejected the offer on 31.05.2024. It notified the e-auction sale of the secured asset and sold the property for Rs. 4,11,00,000/- on 10.07.2024. It is stated that the Petitioner has filed SA No. 489 of 2024 before DRT-III, Chennai questioning the e-auction sale. It is stated that still the Petitioner is liable to pay substantial sum of Rs. 20,65,53,486.53. It is stated that this petition has been filed with an ulterior motive to escape from the clutches of prosecution and to frustrate the SARFAESI proceedings.

8. Similar submissions have been made on behalf of the Financial Creditor / LICHFL.
9. We have heard Ld. Counsels for the parties and perused the records.



10. Ld. Counsel for the Petitioner submits that the petition filed under Form-6 furnishes all the requisite and relevant particulars. The Petitioner has furnished various details regarding the financials, compliances and operations of the Company. Ld. Counsel submits that none of the creditors have alleged that the Petitioner is disqualified under Section 11 of IBC. Ld. Counsel referred to the cases of “(1) *Unigreen Pvt. Ltd. V. Punjab National Bank, 2017 SCC Online NCLAT 566*”; (2) *Leo Duct Engineers and Consultant Ltd. V. Canara Bank, 2017 SCC OnLine NCLAT 547*”; (3) *Go Airlines (India) Limited, 2023 SCC OnLine NCLT 197*; (4) *SMBC Aviation Capital Ltd. Vs. Interim Resolution Professional of Go Airlines (India) Ltd., (2023) 241 Comp Gas 224 (NCLAT)*; (5) *Krishna Kraftex Pvt. Ltd. Vs. HDFC Bank and Ors., [2018] 146 SCL 72*; and (6) *JKS the Banyaan Private Limited v. Bank of Baroda, 2021 SCC OnLine NCLAT 391*” to contend that if the Adjudicating Authority is satisfied that there is debt, default has occurred and there is no ineligibility under Section 11, it has to admit the petition under Section 10 of IBC. Non-disclosure of any fact, unrelated to Section 10 or Form-6 cannot be termed as the suppression of facts. Even there is no mandatory requirement to issue notice to the



creditors. Issuance of notice at the pre-admission notice stage cannot be claimed as a matter of right. What the Adjudicating Authority has to satisfy that there is a debt, default has occurred, the petition is complete in terms of Section 10(2) and 10(3) and the Corporate Debtor is not ineligible under Section 11 of IBC. Ld. Counsel submits that Section 10 of IBC does not provide the Adjudicating Authority to go beyond the records as prescribed under Section 10 and information as required in Form-6 of the Adjudicating Authority Rules.

11. Ld. Counsels appearing for the Financial Creditors / Karur Vysya Bank and LICHFL argued on the lines of the reply filed by Karur Vysya Bank. Till date, none of the Creditors has filed any application under Section 65 of IBC, 2016.

12. Section 10 of IBC, 2016 provides as under:

“Section 10. Initiation of corporate insolvency resolution process by corporate applicant.

(1) Where a corporate debtor has committed a default, a corporate applicant thereof may file an application for initiating corporate insolvency resolution process with the Adjudicating Authority.

(2) The application under sub-section (1) shall be filed in such form, containing such particulars and in such manner and accompanied with such fee as may be prescribed.



3) *The corporate applicant shall, along with the application furnish the Information relating to-*

(a) its books of account and such other documents relating to such period as may be specified; and

(b) the resolution professional proposed to be appointed as an interim resolution professional.

(c) the special resolution passed by shareholders of the corporate debtor or the resolution passed by at least three-fourth of the total number of partners of the corporate debtor, as the case may be, approving filing of the application.

(4) The Adjudicating Authority shall, within a period of fourteen days of the receipt of the application, by an order —

(a) admit the application, if it is complete; 2[and no disciplinary proceeding is pending against the proposed resolution professional]; or

(b) reject the application, if it is incomplete: 2[or any disciplinary proceeding is pending against the proposed resolution professional:]

Provided that Adjudicating Authority shall, before rejecting an application, give a notice to the applicant to rectify the defects in his application within seven days from the date of receipt of such notice from the Adjudicating Authority.

(5) The corporate insolvency resolution process shall commence from the date of admission of the application under sub-section (4) of this section."

13. A perusal of record reveals that the Corporate Debtor is in the business of retail textiles. It was incorporated in the year 1996 with a single store. It expanded its retail network to seven stores. It achieved substantial growth and operational efficiency. For expanding the operations, it availed the various credit facilities from the Financial Creditors but because of Covid 19 pandemic and nation wide restriction, its business got impacted. It could not repay the debt which



resulted into classifying its loan account as NPA. It had to close its stores. Even after the lockdown was lifted, its retail stores continued to face restrictions. Its employees left in the early months of pandemic complicating the operations. It could not bring the stores to normal operations. This led to decline in its financial health. The Financial Creditors initiated the actions under SARFAESI Act. One of its asset has been sold by the Financial Creditor. According to the Petitioner, it is well equipped and capable of rebuilding its business and there is every possibility of revival of the Company. The Petitioner has placed the financials and the requisite documents as contemplated under Section 11 and Form-6 including the resolution passed by the shareholders in the Extra-Ordinary General Meeting held on 08.11.2024 to initiate the process.

14. The Petitioner has also given the date of default in repayment of loans. It has been submitted that the loans taken are genuine; the money was pumped into the Company through proper banking channels; the proceeds were used for repayment to the lenders and for the operations; and there are no suspicious/fraudulent transactions.



15. It is seen from the record that the accounts of the Corporate Debtor were declared NPA by the Financial Creditors respectively on 10.10.2020, 23.03.2021 and 18.06.2021. Although, the dates of 10.10.2021 and 23.03.2021 come under Section 10A period, but the date of 18.06.2021 is not under Section 10A period. This petition has been filed on 20.11.2024. The Hon'ble Supreme Court in *Suo Moto Writ Petition (C) No. 3 of 2020* has settled the law with respect to computation of limitation. It explicitly excluded the period from 15.03.2020 to 28.02.2022 from the calculation of any limitation period. We are therefore of the view that the petition is within limitation.

16. Hon'ble National Company Law Appellate Tribunal (hereinafter, Hon'ble NCLAT), New Delhi in *M/s. Unigreen Global Private Limited vs. Punjab National Bank and others (Company Appeal (AT) (Insolvency) 81/2017)* has held that if an application under Section 10 is complete and in absence of any ineligibility of Corporate Applicant, the Adjudicating Authority is bound to admit the application. The relevant portion of the judgement is reproduced hereunder,

“22. Section 10 does not empower the Adjudicating Authority to go beyond the records as prescribed under Section 10 and the informations



as required to be submitted in Form 6 of the Insolvency and Bankruptcy (Application to the Adjudicating Authority) Rules, 2016 subject to ineligibility prescribed under Section 11. If all informations are provided by an applicant as required under Section 10 and Form 6 and if the Corporate Applicant is otherwise not ineligible under Section 11, the Adjudicating Authority is bound to admit the application and cannot reject the application on any other ground”

17. In the case of **“Go Airlines (India) Limited, CP/IB-264(PB)/2023**, which was affirmed by the Hon'ble NCLAT in Company Appeal (AT) [Insolvency] No. 593 of 2023, it was held as under:

34. Further, we are conscious of the fact that hearing each and every Creditor, under Section 10 of IBC 2016, can cause an inordinate delay in the conclusion of the proceeding, which may result in the erosion of the value of the assets and defeat the very purpose of value maximization and ultimately, the revival of the Corporate Applicant, which is not the objective of the IBC. As we have seen above, in the Application to Adjudicating Authority Rules, 2016, even the right to serve a copy of a Section 10 Application is not conferred to the Creditor(s). Hence, in view of the above, we conclude that in Section 10 proceedings, though there is no mandatory requirement of issuing notice to the Creditor(s) at the pre-admission stage, rather giving notice to the Creditor(s) is a matter of discretion to be exercised on a case-to-case basis on valid grounds. Wherever there is a clear apprehension of deterioration of assets of the Corporate Applicant/Debtor and larger public interest is involved, issuance of notice at the pre-admission stage cannot be claimed as a matter of right.

43. We observe that Section 65 only uses the word “initiates”, and does not make any distinction like the stage of pre-admission or post admission of CIRP, and from the reading of Sub-section (1), it transpires that the provision is applicable not only on the date on which a financial creditor / operational creditor or corporate applicant, as the case may be, makes an application to the Adjudicating Authority for



initiating corporate insolvency resolution process but certainly, not limited to and may extend to the period of Liquidation, as the case may be. Needless to say, that fraud vitiates all acts. There could be instances where the fraudulent act is detected much after the commencement of CIRP. If a narrow interpretation of Section 65 of IBC 2016 is taken i.e., limiting its applicability to the pre-admission stage, then Section 65 will have no relevance. Therefore, Section 65 of IBC can be resorted by an aggrieved party at any stage, be it preadmission or post admission. Accordingly, we conclude that there is no bar in entertaining/considering/adjudicating a Section 65 Application after the initiation of the CIR Process.

44. Further, as we have noted earlier, as of the date of the hearing, there was no Section 65 Application filed/pending/listed before this Adjudicating Authority. Keeping in mind the urgency of the instant case, to protect and maximize the value of the Assets in line with the objectives of IBC, employment involved, and the larger public interest, the judicial propriety demands it will not be apt to wait for the filing of the Section 65 Application. Hence, we would like to proceed ahead with the examination of the Section 10 Application on merits.

18. This Tribunal is satisfied that there is a default in the repayment of debt and the petition filed under Section 10 is complete with all the necessary information. Further, the Corporate Applicant is not ineligible to make petition as per Section 11 of IBC, 2016. Therefore, we are of the view that this Company petition is required to be admitted u/s 10 of the Code. We order accordingly.



19. The Corporate Applicant has proposed the name of **Mr. S. Gopalakrishnan** having Reg. No. **IBBI/IPA-002/IP-N00151/2017-2018/10398** as the Interim Resolution Professional (IRP). However, this Tribunal, considering the Petition being filed under Section 10 of IBC, 2016, finds it fit to exercise its discretionary powers and appoint **Mr. S Amarendran** having **Registration No. IBBI/IPA 002/IP N00634/2018 2019/11962** (E-mail ID: sivakumar.amarendran@gmail.com) whose **AFA is valid till 31.12.2025**, forming part of the Panel of IPs recommended by IBBI in accordance with, “Insolvency Professionals to act as Interim Resolution Professionals, Liquidators, Resolution Professionals and Bankruptcy Trustees (Recommendation) Guidelines, 2024” for the period of January 1, 2025 to June 30, 2025, as the IRP in the present application. The IRP who is appointed shall take forward the process of Corporate Insolvency Resolution of the Corporate Debtor. The IRP appointed shall take in this regard such other and further steps as are required under the Statute, more specifically in terms of Section 15,17,18 of the Code and file his report within 20 days before this Bench. The powers of the Board of Directors of the Corporate Debtor shall



stand superseded as a consequence of the initiation of the CIRP in relation to the Corporate Debtor in terms of the provisions of IBC, 2016.

20. As a consequence of the petition being admitted in terms of Section 10 of the Code, moratorium as envisaged under provisions of Section 14(1) and as extracted hereunder shall follow in relation to the Corporate Debtor;

a. The institution of suits or continuation of pending suits or proceedings against the respondent including execution of any judgment, decree or order in any court of law, tribunal, arbitration panel or other authority;

b. Transferring, encumbering, alienating or disposing of by the respondent any of its assets or any legal right or beneficial interest therein;

c. Any action to foreclose, recover or enforce any security interest created by the respondent in respect of its property including any action under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;

d. The recovery of any property by an owner or lessor where such property is occupied by or in the possession of the respondent.

Explanation.-For the purposes of this sub-section, it is hereby clarified that notwithstanding anything contained in any other law for the time being in force, a licence, permit, registration, quota, concession, clearance or a similar grant or right given by



the Central Government, State Government, local authority, sectoral regulator or any other authority constituted under any other law for the time being in force, shall not be suspended or terminated on the grounds of insolvency, subject to the condition that there is no default in payment of current dues arising for the use or continuation of the license or a similar grant or right during moratorium period;

21. However during the pendency of moratorium period in terms of Section 14(2) and 14(3) as extracted hereunder;

(2) The supply of essential goods or services to the Corporate Debtor as may be specified shall not be terminated or suspended or interrupted during moratorium period.

(2A) Where the interim resolution professional or resolution professional, as the case may be, considers the supply of goods or services critical to protect and preserve the value of the Corporate Debtor and manage the operations of such Corporate Debtor as a going concern, then the supply of such goods or services shall not be terminated, suspended or interrupted during the period of moratorium, except where such Corporate Debtor has not paid dues arising from such supply during the moratorium period or in such circumstances as may be specified.

(3) The provisions of sub-section (1) shall not apply to

(a) such transactions, agreements or other arrangement as may be notified by the Central Government in consultation with any financial sector regulator or any other authority;

(b) a surety in a contract of guarantee to a corporate debtor.



22. The duration of period of moratorium shall be as provided in Section 14(4) of the Code which is reproduced below for ready reference;

(4) The order of moratorium shall have effect from the date of such order till the completion of the Corporate Insolvency Resolution Process:

Provided that where at any time during the Corporate Insolvency Resolution Process period, if the Adjudicating Authority approves the Resolution Plan under sub-Section (1) of Section 31 or passes an order for liquidation of Corporate Debtor under Section 33, the moratorium shall cease to have effect from the date of such approval or Liquidation Order, as the case may be.

23. In consequence to the appointment of RP;

(i) The term of appointment of Mr.S.Amarendran shall be in accordance with the provisions of Section 16(5) of the Code;

ii) In terms of Section 17 of the Code, from the date of this appointment, the powers of the Board of Directors shall stand suspended and the management of the affairs shall vest with the Interim Resolution Professional and the officers and the managers of the Corporate Debtor shall report to the Interim Resolution Professional, who shall be enjoined to exercise all the powers as are vested with Interim Resolution Professional and strictly perform all the duties as are enjoined on the Interim Resolution Professional under Section 18 and other relevant provisions of the Code, including taking control and custody of the assets over which the Corporate Debtor has ownership rights



recorded in the balance sheet of the Corporate Debtor, etc. as provided in Section 18 (1) (f) of the Code. The Interim Resolution Professional is directed to prepare a complete list of the inventory of assets of the Corporate Debtor;

- iii) The Interim Resolution Professional shall strictly act in accordance with the Code, all the rules framed thereunder by the Board or the Central Government and in accordance with the Code of Conduct governing his profession and as an Insolvency Professional with high standards of ethics and moral;
- iv) The Interim Resolution Professional shall cause a public announcement within three days as contemplated under Regulation 6 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 of the initiation of the Corporate Insolvency Resolution Process in terms of Section 13 (1) (b) of the Code read with Section 15 calling for the submission of claims against Corporate Debtor;
- v) It is hereby directed that the Corporate Debtor, its Directors, personnel and the persons associated with the management shall extend all cooperation to the Interim Resolution Professional in managing the affairs of the Corporate Debtor as a going concern and extend all cooperation in accessing books and records as well as assets of the Corporate Debtor;



- vi) The Suspended Board Of Directors is directed to give complete access to the Books of Accounts of the corporate debtor maintained under section 128 of the Companies Act. In case the books are maintained in the electronic mode, the Suspended Board of Directors are to share with the Resolution Professional all the information regarding Maintaining the Backup and regarding Service Provider kept under Rule 3(5) and Rule 3(6) of the Companies Accounts Rules, 2014 respectively as effective from 11.08.2022, especially the name of the service provider, the internet protocol of the Service Provider and its location, and also address of the location of the Books of Accounts maintained in the cloud. In case accounting software for maintaining the books of accounts is used by the corporate debtor, then IRP/RP is to check that the audit trail in the same is not disabled as required under the notification dated 24.03.2021 of the Ministry of Corporate Affairs. A reference is made to the provisions of Section 128(5) of the Companies Act 2013, whereby every company should maintain its books of accounts for not less than 8 financial years immediately preceding a financial year. Minutes and statutory records are the principal documents of the company that should be maintained and preserved since inception.

"As per Rule 7 (f) of Companies (Registered Valuers and Valuation) Rules, 2017, Registered Valuer shall maintain records



of each assignment undertaken by him for at least three years from the completion of such assignment;"

As per the Standard of Auditor (SA-230)

"The retention period for audit engagements is ordinarily no shorter than seven years from the date of auditor's report, or, if later, the date of the group auditor's report."

In view of the above mandatory provisions, the suspended directors of the board will ensure that the books of accounts for the eight previous financial years preceding the date of this order be made available to the IRP/RP within 15 days of the initiation of the CIRP order. The statutory auditor is also directed to share the records maintained by him in the course of the audit of the accounts of the corporate debtor for the period of three years prior to the date of initiation of this CIRP order within the same period of 15 days.

- vii) In case of any non-cooperation by the Suspended Board of Directors or the statutory auditors, he may take the help of the police authorities to enforce this order. The concerned police authorities are directed to extend help to the IRP/RP in implementing this order for retrieval of relevant information from the systems of the corporate debtor, the IRP/RP may take the assistance of Digital Forensic Experts empanelled with this Bench for this purpose. The Suspended Board of Directors is also directed to hand over all user IDs and passwords relating to the



corporate debtor, particularly for government portals, for various compliances. The Interim Resolution Professional is also directed to make a specific mention of non-compliance, if any, in this regard in his status report filed before this Adjudicating Authority immediately after a month of the initiation of the CIRP.

viii) The Resolution Professional is directed to approach the Government Departments, Banks, Corporate Bodies and other entities with request for information/documents available with those authorities/institutions/others pertaining to the corporate debtor which would be relevant in the CIR proceedings. The Government Departments, Banks, Corporate Bodies and other entities are directed to render the necessary information and cooperation to the Resolution Professional to enable him to conduct the CIRP proceedings as per law.

24. The Corporate Applicant is directed to pay a sum of **Rs. 3,00,000/- (Rupees Three Lakhs only)** to the Interim Resolution Professional to meet out the expenses and to perform the functions assigned to him in accordance to Regulation 6 of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.



25. Based on the above terms, the Petition stands **admitted** in terms of Section 10 of the Code and the Moratorium shall come into effect as of this date. A copy of the Order shall be communicated to the Corporate Debtor above named by the Registry. In addition, a copy of the Order shall also be forwarded to IBBI for its records. Further, the Interim Resolution Professional above named shall also be furnished with copy of this Order forthwith by the Registry, who will communicate the initiation of the CIRP in relation to the Corporate Debtor to the Registrar of Companies concerned.

Sd/-

VENKATARAMAN SUBRAMANIAM
MEMBER (TECHNICAL)

Sd/-

SANJIV JAIN
MEMBER (JUDICIAL)